



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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June 17, 2002

CERTIFIED RETURN RECEIPT
7099 3400 0016 8895 5279

Daniel Shepard
GoldTerra, Inc
4088 East Airport Road
P.O. Box 783
Price, Utah 84501

Re: Return of Notice of Intention (NOI) to Commence Large Mining Operations, GoldTerra, Inc., Blue Castle Mine, M/015/077, Emery County, Utah

Dear Mr. Shepard:

On August 7, 2001, you were notified that GoldTerra's Blue Castle Mine had been granted tentative approval. The Division published the decision to issue tentative approval of this project in the Salt Lake and local newspapers, which began a 30-day public comment period. You were informed that if no substantive comments were received during the public comment period, we would be prepared to issue final approval, contingent upon the receipt of a \$281,200 surety and a signed and notarized reclamation contract. To date, the Division has received neither of these items.

We understand that the BLM had been in the process of performing an EA on this project. We have since been informed that the EA has not been completed and the permitting process has been placed on indefinite hold.

We, therefore, request that within the next 30 days, GoldTerra notify the Division as to your intentions pertaining to this NOI. If no response is received, the NOI will be returned and the Division's tentative approval will be revoked. If you should desire to renew this NOI in the future, you will need to resubmit the NOI, pay the Division permit fees and receive written acceptance before any mining may commence.

Thank you for your prompt reply to this request. Please contact me at (801) 538-5286 or Doug Jensen at (801) 538-5382 if you have any questions or concerns regarding this letter.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
cc: Dean Neffeler, BLM, Price FO
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